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TO PUBLIC SERVICE
COMMISSION

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May 12, 2014

VIA OVERNIGHT DELIVERY

Ms. Jocelyn G. Boyd
Chief Clerk of the Commission
South Carolina Public Service Commission
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210
(803) 896-5100

Re: Airespring, Inc.
Docket No. 2014-144-C

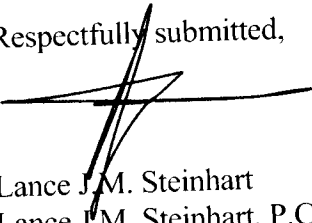
Dear Ms. Boyd:

Enclosed please find for filing an original and ten (10) copies of the company's pre-filed testimony. The company does not intend to engage in telemarketing in the State of South Carolina.

I have enclosed an extra copy of this letter to be date-stamped and returned to me in the self-addressed, postage prepaid envelope I have provided.

If you have any questions or if I may provide you with any additional information, please do not hesitate to contact me. Thank you.

Respectfully submitted,



Lance J.M. Steinhart
Lance J.M. Steinhart, P.C.
Attorneys for Airespring, Inc.

Enclosures

cc: Lessie Hammonds – ORS via e-mail: lhammon@regstaff.sc.gov
Scott Elliott via e-mail: selliott@elliottlaw.us

STATE OF SOUTH CAROLINA

In the Matter of

The Application of
Airespring, Inc.

For a Certificate of Public
Convenience and Necessity to
Provide Local Exchange
Telecommunications Services and
for local service offerings to be regulated
in accordance with procedures authorized
for NewSouth Communications in Order
No. 98-165 in docket No. 97-467-C

2014 MAY 14 11:20

PUBLIC SERVICE

BEFORE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

DOCKET

NUMBER: 2014 - 144 - C

(Please type or print)

Submitted by: Lance J.M. Steinhart, P.C.
Address: 1725 Windward Concourse, Ste. 150
Alpharetta, Georgia 30005

SC Bar Number: _____
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NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition ☐ Request for item to be placed on Commission's Agenda expeditiously
☐ Other: _____

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)		
<input type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input type="checkbox"/> Letter	<input type="checkbox"/> Request
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition
<input checked="" type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input checked="" type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other: _____
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest	
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit	
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report	

RETURN DATE: 5/12/14
SERVICE: OK posted

BEFORE THE
PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2014-144-C

In the Matter of)
The Application of)
Airespring, Inc.)
for a Certificate of Public) DIRECT TESTIMONY
Convenience and Necessity to) OF ROD RUMMELSBURG
Provide Local Exchange)
Telecommunications Services and)
for local service offerings to be regulated)
in accordance with procedures authorized)
for NewSouth Communications in Order)
No. 98-165 in docket No. 97-467-C)

I. Introduction

1. Q. Please state your name and business address.

A. My name is Rod Rummelsburg. My business address is 6060 Sepulveda Blvd., 2nd
Floor, Van Nuys, California 91411.

2. Q. By whom are you employed and in what capacity?

A. I am Airespring, Inc.'s ("Airespring" or "Applicant") General Counsel.

3. Q. Please give a brief description of your background and experience in business
and telecommunications.

A. My background includes general business law with an emphasis on
telecommunications and intellectual property. As General Counsel of Airespring,
Inc., a telecommunications company, I am involved in contract negotiations,
regulatory review, and business dispute resolution. I have been General Counsel at

1 Airespring since October 2011. Prior to this I served as in-house counsel to two
2 other telecommunications companies, one reselling telecom services domestically
3 and the other supplying VoIP and IP services internationally to customers in
4 approximately 125 countries. Attached please find an extensive list of my practice
5 areas and education history.

6 4. **Q. What is the purpose of your testimony?**

7 A. The purpose of my testimony is to describe the nature of Airespring's proposed
8 service offering within the State of South Carolina, and to demonstrate its financial,
9 managerial, and technical ability to provide the telecommunications services for
10 which authority is sought herein.

11 5. **Q. Do you wish to incorporate by reference any documents into your testimony?**

12 A. Yes. I wish to incorporate by reference the underlying Application filed in this
13 proceeding and its associated attachments.

14 II. The Business of Airespring, Inc.

15 6. **Q. Has Airespring registered to do business in South Carolina?**

16 A. Yes. Airespring is a Delaware corporation that has received authorization to transact
17 business within the State of South Carolina. A copy of Airespring's Certificate of
18 Incorporation is attached to the Application as Exhibit A and a copy of the document
19 of authorization from the State of South Carolina is attached to that Application as
20 Exhibit B.
21

1 **7. Q. Please describe the services Airespring intends to provide within the State of**
2 **South Carolina.**

3 A. Airespring proposes to offer local exchange services. Such services will be
4 provided by utilizing the facilities of incumbent local exchange carriers ("LECs")
5 and/or other facilities-based carriers. The company has no plans to install
6 facilities in the State of South Carolina. Airespring expects to offer a full array of
7 local exchange services to business customers, including the following:

- 8
9 a. Resold Local Exchange Services that will enable customers to originate and
10 terminate local calls in the local calling area served by other LECs.
11 b. Resold Switched local exchange services, including basic service, trunks,
12 carrier access, and any other switched local services that currently exist or
13 will exist in the future.
14 c. Non-switched local services (e.g., private line) that currently exist or will
15 exist in the future.
16 d. Centrex and/or Centrex-like services that currently exist or will exist in the
17 future.
18 e. Digital subscriber line, ISDN, and other high capacity services.
19 f. Voice over internet protocol services.
20 g. High speed internet service (broadband/data).

21 Airespring will provide local exchange through the use of unbundled network
22 elements utilizing the facilities of the existing LECs or underlying carriers that
23 presently serve South Carolina.

24 Applicant is committed to providing access to a local operator, directory
25 assistance, 911 services, and dual relay services. Applicant is also willing to
26 accept its obligations to collect 911 and dual relay service surcharges from its
27 local exchange customers, and to remit those funds to the appropriate authorities.

28 **8. Q. What carrier will Airespring utilize as its underlying carrier for services in**
29 **South Carolina?**

30 A. Airespring is currently negotiating an interconnection agreement with AT&T South
31 Carolina ("AT&T") to provide local service.

1 9. **Q. Does Airespring have authorization to provide interexchange and/or local**
2 **exchange telecommunications services in any other state?**

3 A. Yes. Airespring is currently authorized to provide interexchange and/or local
4 exchange service in Arizona, Alabama, Arkansas, California, Colorado,
5 Connecticut, District of Columbia, Delaware, Florida, Georgia, Idaho, Illinois,
6 Indiana, Iowa, Kansas, Maryland, Louisiana, Massachusetts, Michigan,
7 Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire,
8 New Jersey, New York, New Mexico, North Carolina, North Dakota, Ohio,
9 Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina (see Docket
10 No.2003-208-C, Dated December 12, 2003), South Dakota, Tennessee, Texas,
11 Utah, Virginia, Washington, West Virginia, Wisconsin and Wyoming.

12 10. **Q. Has Airespring ever had an application for a certificate of public convenience**
13 **and necessity denied?**

14 A. No.

15 11. **Q. Does Airespring intend to file a tariff with the Commission?**

16 A. Yes. A local exchange price list is attached as Exhibit E to its Application in this
17 proceeding that it will modify as necessary in order to meet the Commission's
18 requirements. We believe Airespring's Tariff and price list will comport with all
19 Orders, Rules, and Regulations of the Commission.

20 12. **Q. Will Airespring comply with the Commission's orders regarding the provision**
21 **of local services?**

22 A. Yes. Airespring will at all times provide and market services in accordance with
23 current Commission policies and will attempt to comply with the terms of that order
24 in every respect possible.

1 13. **Q. Has Airespring provided any intrastate telecommunications services within the**
2 **State of South Carolina?**

3 A. No, it has not.

4 14. **Q. What rates will Airespring charge upon receipt of certification?**

5 A. Airespring will charge the tariffed rates approved by the Commission.

6 15. **Q. How will Airespring market services in South Carolina?**

7 A. Airespring intends to market its services via direct sales by Airespring employees.

8 III. Managerial, Technical and Financial Qualifications

9 16. **Q. Does Airespring have sufficient managerial, technical, and financial resources**
10 **and ability to provide the telecommunications services proposed in its**
11 **Application?**

12 A. Yes. Airespring has sufficient technical, financial, and managerial resources and
13 ability to provide the telecommunications services for which authority is sought
14 herein. Airespring's personnel represent a broad spectrum of business and technical
15 disciplines, possessing many years of individual and aggregate telecommunications
16 experience.

17 The qualifications and experience of Airespring's key management team are
18 discussed on Exhibit D which is attached to our Application in support of Applicant's
19 managerial and technical ability to provide the services for which authority is sought
20 herein.

21 17. **Q. How does Airespring handle customer service requests?**

22 A. Airespring's customer service representatives are available to assist its customers
23 and will promptly respond to all customer inquiries. Customers may call (888)
24 389-2899 or a local number. The applicable toll free or local number(s) will be
25 printed on customers' monthly billing statements.

Alternately, customers wishing to communicate with Airespring customer service representatives in writing may send written correspondence to Airespring at:

Airespring, Inc.
ATTN: Customer Service
6060 Sepulveda Blvd.
Van Nuys, California 91411

Airespring's customer service representatives are prepared to respond to a broad range of service matters, including inquiries regarding: (1) the types of services offered by Airespring and the rates associated with such services; (2) monthly billing statements; (3) problems or concerns pertaining to a customer's current service; and (4) general service matters.

18. **Q. Please describe the financial condition of Airespring.**

A. In support of Airespring's financial ability to provide the services sought herein, Profit & Loss for the period ending December 31, 2013 and Balance Sheet as of December 31, 2013, were submitted as Exhibit C to its Application.

IV. Public Interest

19. **Q. How will residents of South Carolina benefit from Airespring's services and presence in South Carolina?**

The Commission's grant of this certificate is in the public interest because consumers of telecommunications services within the Applicant's service territory will receive increased choice, improved quality of service, and heightened opportunities to obtain improved technology in the homes and businesses. Market incentives for new and old telecommunications providers in South Carolina will be improved greatly through an increase in the diversity of suppliers and competition within the local exchange telecommunications market. Consistent with the Commission's intent to aid in the development of a competitive telecommunications environment in South

1 Carolina, the granting of a certificate of authority to provide local exchange service
2 will offer increased efficiency to the State's telecommunications infrastructure
3 through greater reliability of services and an increase in competitive choices.

4 20. Q. **Has the Company ever been the subject of an investigation by any state**
5 **Regulatory body or by the FCC?**

6 A. On December 27, 2012, the Iowa Consumer Advocate Division of the Department
7 of Justice filed with the Iowa Utilities Board a request for formal proceeding
8 based on a complaint filed by the Rehabilitation Center of Allison, Iowa ("RCA")
9 stating it was unable to receive telephone calls and faxes from the Shell Rock
10 Clinic in Shell Rock, Iowa, and the Waverly Health Center in Waverly, Iowa.
11 The complaint was issued against Airespring, Inc. ("Airespring") as well as
12 DuMont Telephone Co., Iowa Network Services, Inc., Qwest Corporation, d/b/a/
13 CenturyLink.

14 On February 3, 2014, Airespring filed a motion to withdraw from the case
15 due to the fact RCA, Shell Rock Clinic, and the Waverly Health Center had never
16 been customers of Airespring for local, long distance or facsimile
17 telecommunications services. Airespring moved that it not participate further in
18 this proceeding. No parties associated with the complaint case objected to
19 Airespring's withdrawal and it was granted on February 5, 2014.

20 Airespring has otherwise not been the subject of an investigation.

21 21. Q. **Will the Company agree to abide by and comply with Commission Rules and**
22 **Regulations and Commission Orders in its operations in South Carolina?**

23 A. Yes.
24

1 20. **Q. Does this conclude your testimony?**

2 A. Yes. I would like to thank the Commission for this opportunity to provide
3 information relevant to Airespring, Inc.'s Application and am ready to provide any
4 additional information that the Commission may need in making its decision.